General Information Letter: A corporation with a short federal taxable year is required to use the same federal taxable year for Illinois income tax purposes.

July 6, 2000

Dear:

This is in response to your letter dated June 1, 2000 in which you request a Letter Ruling. Department of Revenue ("Department") regulations require that the Department issue only two types of letter rulings, Private Letter Rulings ("PLRs") and General Information Letters ("GILs"). PLRs are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. GILs do not constitute statements of agency policy that apply, interpret or prescribe the tax laws and are not binding on the Department.

Although you have not specifically requested either type of ruling, the nature of your question and the information provided require that we respond only with a GIL.

In your letter you stated:

Assuming a closing on June 30, 2000, xxx will elect to file its short period return for January 1 - June 30, 2000 under the ratable allocation method under Reg. 1.1502-76(b)(2)(ii). This means that xxx will close the books only once for the entire year 2000 and ratably allocate 50% of its income (other than extraordinary items) for the period January 1 - June 30, 2000 in xxx's separate return and 50% of its income for the period July 1 - December 31, 2000 in xxxxx consolidated return.

Regulations 1.1502-76(c)(1) and 1.1502-76(b)(4) require xxx to file its short period (January 1 - June 30, 2000) separate return no later than the date xxx files its consolidated return for the year 2000. Thus, if xxx files its consolidated return for the year 2000 on September 15, 2001, xxx will be required to file its separate short period return (January 1 - June 30, 2000) no later than September 15, 2001.

With reference to the above, would you kindly respond to the following:

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2. If short period tax return(s) are required, what are the due date(s) for filing the return(s)?

## DISCUSSION

The Illinois Income Tax Act ("IITA") follows the federal Internal Revenue Code ("IRC") in this matter. Section 401 of the IITA states:

- (a) In general. For purposes of the tax imposed by this Act, the taxable year of a person shall be the same as the taxable year of such person for federal income tax purposes. The taxable year of any person required to file a return under this Act but not under the Internal Revenue Code shall be his annual accounting period if it is a fiscal or calendar year, and in all other cases shall be the calendar year.
- (b) Change in taxable year. If the taxable year of a person is changed for federal income tax purposes, the taxable year of such person for purposes of the tax imposed by this Act shall be similarly changed. In the case of a taxable year for a period of less than 12 months, the standard exemption allowed under section 204 shall be prorated on the basis of the number of days in such year to 365.
- (c) Termination of taxable year for jeopardy. Notwithstanding the provisions of subsections (a) and (b), if the Department terminates the taxable year of a taxpayer under section 1102 (relating to tax in jeopardy), the tax shall be computed for the period determined by such action. (Source: P.A. 76-261.)

Accordingly, for Illinois income tax purposes the taxpayer would file the same tax returns on the same due dates as it would for federal income tax purposes.

As mentioned above, this is merely a general information letter and not a statement of policy and is not binding upon the Department. I hope that this has been helpful to you. The Department maintains a website, which can be accessed at <a href="https://www.revenue.state.il.us">www.revenue.state.il.us</a>. If you have additional questions please feel free to contact me at the above address.

Very Truly Yours,

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